

STATE OF NEW JERSEY



DEPARTMENT OF BANKING AND INSURANCE DIVISION OF BANKING

ORDER NO. E07-0593

IN THE MATTER OF:

AMERICAN HOME MORTGAGE)
CORPORATION OF NEW YORK,)
Ref. No. 9400364,)
ALFRED A. ANTUZZI,)
Ref. No. 9403741,)
VIRGINIA GRANEY,)
Ref. No. 9403090, and)
DOUGLAS J. TARTA,)
Re. No. 9300182)
AMERICAN HOME MORTGAGE)
ACCEPTANCE, INC.)
Ref. No. 9953704, and)
MICHAEL STRAUSS,)
Ref. No. 9400365.)

**ORDER
TO CEASE AND DESIST
AND
TAKE CERTAIN ACTIONS
AND
TO SHOW CAUSE
WHY LICENSES SHOULD NOT
BE REVOKED
AND
PENALTIES IMPOSED**

TO: Mitchell Kider, Esq.
Weiner, Brodsky, Skidman, Kider, PC
1300 19th Street, N.W. – 5th Floor
Washington, DC 20036

American Home Mortgage Corporation of New York
111 Southwood Avenue
Iselin, NJ 08830

American Home Mortgage Corporation of New York
538 Broadhollow Road
Melville, NY 11747

Alfred A. Antuzzi
304 Harper Drive – Suite No. 125
Moorestown, NJ 08057

Virginia Graney
272 Route 206
Bartley Square
Flanders, NJ 07836

Douglas J. Tarta
149 Gary Drive
Hamilton, NJ 08690

American Home Mortgage Acceptance, Inc.
111 Southwood Avenue – 1st Floor, Suite 1B
Iselin, NJ 08830

American Home Mortgage Corporation of New York
538 Broadhollow Road
Melville, NY 11747

Michael Strauss
367 Great Plains Road
Southampton, NY 11968

Alan B. Horn
75 Highland Avenue
Sea Cliff, NY 11579

Stephen Hozie
40 Mallet Hill Road
Columbia, SC 29223

THIS MATTER having been opened by the Commissioner of the New Jersey Department of Banking and Insurance (“Commissioner”), upon information that American Home Mortgage Corporation of New York (“AHMC-NY”), also trading as “AHM Mortgage,” “American Brokers Conduit,” and “American Home Mortgage,” and American Home Mortgage Acceptance, Inc. (“Acceptance”), licensed lenders pursuant to the New Jersey Licensed Lenders Act (the “Act”), N.J.S.A. 17:11C-1 et seq., and Alfred A. Antuzzi, Virginia Graney, and Douglas J. Tarta (collectively, “the Licensees”), being licensed individuals for AHMC-NY under the Act, and Michael Strauss (“Strauss”) being a licensed individual for Acceptance under the Act, have engaged in conduct in violation of the Act warranting issuance of the above-captioned order (the “Order”); and

IT APPEARING that Alan B. Horn, Stephen Hozie, and Michael Strauss are on record with the Department as corporate officers of Acceptance; and

COUNT ONE

IT APPEARING that, beginning on or about July 31, 2007, AHMC-NY, the Licensees, Acceptance, and Strauss ceased to disburse funds on an unknown number of mortgage loans closed and/or approved for closing as required by an unknown number of agreements they had entered into with New Jersey resident mortgage loan customers, in violation of N.J.S.A. 17:11C-22h, with each such failure to disburse representing a separate violation of N.J.S.A. 17:11C-22h; and

COUNT TWO

IT APPEARING that, beginning on or about July 31, 2007, AHMC-NY, the Licensees, Acceptance, and Strauss failed to deliver mortgage loan proceeds funds within the required time after a mortgage loan closing with respect to an unknown number of agreements AHMC-NY and Acceptance had entered into with New Jersey resident mortgage loan customers, in violation of N.J.S.A. 17:11C-22i and N.J.S.A. 17:11C-18a(1), with each such failure to disburse representing a separate violation; and

COUNT THREE

IT FURTHER APPEARING that, prior to July 31, 2007, AHMC-NY, the Licensees, Acceptance, and Strauss accepted an unknown number of pending mortgage loan applications that have not closed (hereinafter referred to as the "Loans in the Pipeline") and that AHMC-NY, the Licensees, Acceptance, and Strauss knew or should have known they would be unable to process through to closing and funding in accordance with the mortgage agreements, thereby misrepresenting or concealing a material particular of the transaction in violation N.J.S.A. 17:11C-22g and N.J.S.A. 17:11C-18a(1), with each such misrepresentation or concealment representing a separate violation; and

COUNT FOUR

IT FURTHER APPEARING that, effective on or about July 31, 2007, AHMC-NY, the Licensees, Acceptance, and Strauss shut down operations in New Jersey without appropriate notice to the Commissioner or other interested parties, in a manner that demonstrated unworthiness, incompetence or bad faith in the transaction of business as a licensee in violation of N.J.A.C. 3:15-2.15, N.J.S.A. 17:11C-18a(1) and N.J.S.A. 17:11C-18a(5); and

COUNT FIVE

IT FURTHER APPEARING that AHMC-NY and Acceptance have failed to maintain the required net worth or become insolvent, in violation of N.J.S.A. 17:11C-14, N.J.S.A. 17:11C-18a(4) and N.J.S.A. 17:11C-18a(1);

NOW, THEREFORE, in accordance with authority provided in the Act and at N.J.S.A. 17:1-15g, **IT IS** on this 2nd day of August 2007, **ORDERED** that:

A. ORDER TO CEASE AND DESIST

1. AHMC-NY, the Licensees, Acceptance, and Strauss shall immediately **CEASE AND DESIST** from closing loans without available funding, for New Jersey mortgage loan customers;
2. AHMC-NY, the Licensees, Acceptance, and Strauss shall immediately **CEASE AND DESIST** from accepting any new applications or accepting any fees in

with respect to New Jersey mortgage loan customers until further notice from the Commissioner;

B. ORDER TO TAKE CERTAIN ACTIONS

3. AHMC-NY, the Licensees, Acceptance, and Strauss shall immediately **TAKE ACTION** to fund those loans that have closed without funding or to redirect such loans to a viable alternative funding source;

4. AHMC-NY, the Licensees, Acceptance, and Strauss shall immediately **TAKE ACTION** to secure a viable funding source for the Loans in the Pipeline before proceeding any further with processing such loans or to redirect the Loans in the Pipeline to a viable alternative lender;

5. AHMC-NY, the Licensees, Acceptance, and Strauss shall immediately **TAKE ACTION** to, on a daily basis, provide the Commissioner with a daily report, in electronic format, with all such information as the Commissioner may direct, detailing the status of all loans closed but not funded, including, where appropriate, proof of funding (by Federal ID Wire Number); and

6. AHMC-NY, the Licensees, Acceptance, and Strauss shall immediately **TAKE ACTION** to, on a daily basis, provide the Commissioner with a daily report, in electronic format, containing all information the Commissioner may direct, detailing the status of each Loan in the Pipeline; and

7. AHMC-NY, the Licensees, Acceptance, and Strauss shall immediately **TAKE ACTION** to make available for examination any and all other books, accounts, records and documents pertaining to its business as the Commissioner may direct; and

8. AHMC-NY, the Licensees, Acceptance, and Strauss shall immediately **TAKE ACTION** to place into and maintain in escrow until further order of the Commissioner all monies representing fees of any kind paid by New Jersey mortgage loan customers for a loan that has not been funded; and

9. Failure to comply with the terms of Sections A and B of this Order shall subject AHMC-NY, the Licensees, Acceptance, and Strauss to further administrative proceedings pursuant to N.J.S.A. 17:11C-18 and to the imposition of administrative penalties in accordance with N.J.S.A. 17:11C-48; and

C. ORDER TO SHOW CAUSE - LICENSE REVOCATION

10. AHMC-NY, the Licensees, Acceptance, and Strauss shall appear and show cause why their licensed lenders licenses should not be **REVOKED** pursuant to N.J.S.A. 17:11C-18(a)(1) the violations alleged in the Counts set forth above;

11. AHMC-NY, the Licensees, Acceptance, and Strauss shall appear and show cause why they should not be jointly and severally liable for **ADMINISTRATIVE**

PENALTIES of up to \$5,000 for each such violation of the Act, pursuant to N.J.S.A. 17:11C-48; and

IT IS PROVIDED that AHMC-NY, the Licensees, Acceptance, and Strauss shall have the right to request an administrative hearing pursuant to the Administrative Procedures Act, N.J.S.A. 52:14B-1 et seq., as to the terms of this Order; and

IT IS FURTHER PROVIDED that unless a request for a hearing on this Order is received within twenty (20) days of receipt of this Order, the right to a hearing in this matter shall be deemed to have been waived by AHMC-NY, the Licensees, Acceptance, and Strauss, whereupon the Commissioner may dispose of this matter by issuing a final order pursuant to law.

A hearing may be requested by mailing the request to:

Leona B. Joyner, Chief of Enforcement
Office of Consumer Finance
Department of Banking and Insurance
P.O. Box 040
Trenton, New Jersey 08625-0040

The request shall contain:

- (1) Your name, address and daytime telephone number;
- (2) A copy of this Order;
- (3) A statement requesting a hearing;
- (4) A specific admission or denial of each fact alleged in this Order. Where the licensee has no specific knowledge regarding a fact alleged in the Order, a statement to that effect must be contained in the hearing request. Allegations of this Order not answered in the manner set forth above shall be deemed to have been admitted; and
- (5) A concise statement identifying any factual or legal defense intended to be asserted in response to each charge in this Order. Where the defense relies on facts not contained in the Order, those specific facts must be stated.

NEW JERSEY DEPARTMENT OF BANKING AND INSURANCE



STEVEN M. GOLDMAN, COMMISSIONER